

Flanagan - Int. 2879 or Sater - Int. 2809



## DEPARTMENT OF THE INTERIOR

### INFORMATION SERVICE

FISH AND WILDLIFE SERVICE

For Release FEBRUARY 23, 1960

#### COMPREHENSIVE ECONOMIC STUDY ON SHRIMP BEGINS

A comprehensive economic study of domestic shrimp industry production has been inaugurated by the Department of the Interior it was announced today. The study will deal with an intensive analysis of competitive conditions in the industry.

A declining trend in catch per vessel and increased foreign competition were noted in an earlier study published as Special Scientific Report - Fisheries Nos. 277 and 308, entitled Survey of the United States Shrimp Industry. These trends will be studied in more detail.

The objectives of the long-range study are to determine the position of the domestic shrimp industry in relation to foreign-based shrimp industries; to examine economic trends in the domestic shrimp industry; to analyze special problems retarding productivity and to recommend measures to solve or mitigate such problems.

The first phase of this study will be done by the University of Florida under a contract with the Bureau of Commercial Fisheries, Fish and Wildlife Service. The objectives of this phase are to assess the efficiency of vessel and boat operations in the principal shrimp fisheries of the South Atlantic States and the Gulf of Mexico area; and to appraise each fishery as a potential source of supply, bearing in mind the factor mentioned above and port facilities, labor available, navigational hazards, shore facilities for processing, refrigeration and transport.

This phase of the study will be conducted in the shrimp fisheries in North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana and Texas.

Information already available in the files of the Bureau of Commercial Fisheries, data from Federal Trade Commission studies, and from vessel documentations at the Bureau of Customs will be available for the study.

The reason for the study is the economic distress in which the shrimp industry now finds itself, despite the fact that it holds first place in dollar value of all United States fishery products. During World War II and the early post-war years, the domestic shrimp industry prospered. The shrimp catch, which was 143 million pounds in 1938, jumped to 200 million pounds by 1951. Since then it has consistently held to more than 200 million pounds but at no time has reached the 1954 peak of 268 million pounds.

Improved processing and better markets led to an expansion of demand and, in turn, location of some new fishing grounds, a sharp increase in the number of fishing vessels and improvements in both equipment and methods of fishing. Even with more vessels at work, there has been a decline in total landings since 1954. This decline in average rate of catch per vessel has resulted in an increase in unit costs of production.

Shrimp imports for 1958 amounted to 85 million pounds, more than double the amount imported in 1954. Indications are that the 1959 imports were 107 million pounds. Shrimp were imported from about 50 countries in 1959.

Some segments of the shrimp industry are urging imposition of duties or the establishment of import quotas; other segments of the industry strongly oppose any limitations on shrimp imports.

The contract with the University of Florida is financed with funds made available by the Saltonstall-Kennedy Act, which has as its objective the betterment of domestic fisheries. Under the contract terms not more than \$16,400 will be spent on Phase I of the study. This phase is to be completed by December 15, 1960.

x x x